

QATAR INSURANCE COMPANY S.A.Q.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2015**

QATAR INSURANCE COMPANY S.A.Q.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REVIEW REPORT**

For the six month period ended June 30, 2015

INDEX	Page
Independent auditor's review report	--
Interim condensed consolidated statement of financial position	1
Interim condensed consolidated statement of income	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 to 15

QR. 31247

INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors
Qatar Insurance Company S.A.Q.
Doha, Qatar**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar Insurance Company S.A.Q. (the "Company") and its subsidiaries (together the "Group") comprising the interim condensed consolidated statement of financial position as at June 30, 2015 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – "Interim Financial Reporting".

**Doha - Qatar
July 12, 2015**

**For Deloitte & Touche
Qatar Branch**

**Muhammad Bahemia
Partner
License No. 103**

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2015

	Notes	June 30, 2015	December 31, 2014
		QR ('000) (Reviewed)	QR ('000) (Audited)
ASSETS			
Cash and cash equivalents	3	3,838,825	2,646,907
Insurance and other receivables		4,189,447	2,820,028
Reinsurance contract assets	4	3,833,169	3,251,457
Equity accounted investments		78,298	77,065
Investments	5	6,331,296	6,468,082
Investment properties	6	368,803	375,070
Property and equipment	7	40,682	38,665
Intangible assets		274,172	274,895
Goodwill		145,111	145,111
TOTAL ASSETS		19,099,803	16,097,280
LIABILITIES AND EQUITY			
LIABILITIES			
Short term borrowings		1,050,800	182,000
Provisions, reinsurance and other payables		1,778,395	1,660,759
Insurance contract liabilities	4	10,294,481	8,331,014
Total liabilities		13,123,676	10,173,773
EQUITY			
Share capital	12	1,846,214	1,605,404
Legal reserve		1,509,272	1,408,179
General reserve		287,000	287,000
Fair value reserve		461,424	601,000
Catastrophe special reserve		277,342	227,251
Retained earnings		1,360,100	1,575,949
Equity attributable to owners of the parent company		5,741,352	5,704,783
Non-controlling interests		234,775	218,724
Total equity		5,976,127	5,923,507
TOTAL LIABILITIES AND EQUITY		19,099,803	16,097,280

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on July 12, 2015.

.....
Khalid Bin Mohammed Bin Ali Al-Thani
 Chairman and Managing Director

.....
Khalifa Abdulla Turki Al Subaey
 Group President and Chief Executive Officer

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six month period ended June 30, 2015

	Notes	For the six month period ended	
		June 30, 2015	June 30, 2014
		QR ('000) (Reviewed)	QR ('000) (Reviewed)
Gross premiums	9	3,812,934	3,211,480
Premium ceded to reinsurers	9	(662,703)	(775,298)
Net premiums		3,150,231	2,436,182
Movement in unexpired risk reserve	9	(946,103)	(801,141)
Net earned premiums		2,204,128	1,635,041
Gross claims paid	9	(1,374,374)	(1,375,926)
Reinsurance recoveries	9	471,476	577,029
Movement in outstanding claims	9	(435,652)	(209,706)
Net commissions	9	(446,654)	(239,652)
Other insurance income	9	5,712	5,998
Net underwriting results	9	424,636	392,784
Investment income		406,658	512,067
Advisory fees		58,483	50,720
Rental income		21,853	21,896
Other income		993	828
Total income		912,623	978,295
Operating and administrative expenses		(314,012)	(316,885)
Depreciation and amortisation		(14,594)	(13,528)
Profit before share of profit from equity accounted investments		584,017	647,882
Share of profit from equity accounted investments		9,760	8,547
Profit for the period		593,777	656,429
<i>Attributable to:</i>			
Owners of the parent company		577,496	635,486
Non-controlling interests		16,281	20,943
Profit for the period		593,777	656,429
Basic and diluted earnings per share in Qatari Riyal (2014: Restated as a result of bonus issue)	10	3.13	3.44

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR INSURANCE COMPANY S.A.Q.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six month period ended June 30, 2015

	For the six month period ended	
	June 30,	June 30,
	2015	2014
	QR ('000)	QR ('000)
	(Reviewed)	(Reviewed)
Profit for the period	593,777	656,429
Other comprehensive income		
Net changes in fair value of available-for-sale investments	(140,754)	(207,909)
Total comprehensive income for the period	453,023	448,520
Attributable to:		
Owners of the parent company	437,920	426,215
Non-controlling interests	15,103	22,305
Total comprehensive income for the period	453,023	448,520

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2015

	Share capital	Legal reserve	General reserve	Fair value reserve	Catastrophe special reserve	Retained earnings	Attributable to owners of the parent company	Non-controlling interest	Total equity
	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)
Balance at January 1, 2014 (Audited)	1,284,323	1,304,293	287,000	750,868	189,606	1,371,364	5,187,454	194,234	5,381,688
Profit for the period	--	--	--	--	--	635,486	635,486	20,943	656,429
Net change in the fair value of available-for-sale investments	--	--	--	(209,271)	--	--	(209,271)	1,362	(207,909)
<i>Total comprehensive income for the period</i>	--	--	--	(209,271)	--	635,486	426,215	22,305	448,520
Dividend for the year 2013	--	--	--	--	--	(321,081)	(321,081)	(6,186)	(327,267)
Issuance of bonus shares	321,081	--	--	--	--	(321,081)	--	--	--
Increase in non-controlling interests	--	--	--	--	--	--	--	8,093	8,093
Transfer to legal reserve	--	75,294	--	--	--	(75,294)	--	--	--
Effect of acquisition/sale of stake in subsidiary by non-controlling interest	--	2,837	--	758	--	(1,574)	2,021	1,636	3,657
Transfer to catastrophe special reserve	--	--	--	--	37,647	(37,647)	--	--	--
Balance at June 30, 2014 (Reviewed)	1,605,404	1,382,424	287,000	542,355	227,253	1,250,173	5,294,609	220,082	5,514,691
Balance at January 1, 2015 (Audited)	1,605,404	1,408,179	287,000	601,000	227,251	1,575,949	5,704,783	218,724	5,923,507
Profit for the period	--	--	--	--	--	577,496	577,496	16,281	593,777
Net change in the fair value of available-for-sale investments	--	--	--	(139,576)	--	--	(139,576)	(1,178)	(140,754)
<i>Total comprehensive income for the period</i>	--	--	--	(139,576)	--	577,496	437,920	15,103	453,023
Dividend for the year 2014	--	--	--	--	--	(401,351)	(401,351)	(7,373)	(408,724)
Issuance of bonus shares	240,810	--	--	--	--	(240,810)	--	--	--
Increase in non-controlling interest	--	--	--	--	--	--	--	8,321	8,321
Transfer to legal reserve	--	101,093	--	--	--	(101,093)	--	--	--
Transfer to catastrophe special reserve	--	--	--	--	50,091	(50,091)	--	--	--
Balance at June 30, 2015 (Reviewed)	1,846,214	1,509,272	287,000	461,424	277,342	1,360,100	5,741,352	234,775	5,976,127

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2015

	For the six month period ended	
	June 30,	June 30,
<u>Note</u>	2015	2014
	QR ('000)	QR ('000)
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Profit for the period	593,777	656,429
<i>Adjustments for:</i>		
Depreciation and amortisation	14,594	13,528
Share of profit from equity accounted investments	(5,725)	(8,547)
Investment income and other finance income	(486,994)	(584,683)
Provision for bad and doubtful debts	1,992	1,587
Provision for employees' end of service benefits	3,679	5,694
Loss on disposal of property and equipment, net	398	--
	121,721	84,008
Working capital adjustments		
Change in insurance and other receivables	(1,371,411)	(854,277)
Change in insurance reserves – net	1,381,755	1,019,603
Change in provisions, reinsurance and other payables	120,513	134,558
Cash generated from operations	252,578	383,892
Employees' end of service benefits paid	(9,019)	(1,593)
Net cash generated from operating activities	243,559	382,299
INVESTING ACTIVITIES		
Net cash movements in investments	(3,968)	602,790
Purchase of property and equipment	(10,019)	(8,982)
Purchase of investment properties	--	(385)
Investment income and other finance income	486,994	584,683
Acquisition of subsidiary	--	(1,015,188)
Dividend received from equity accounted investments	4,492	9,850
Withdrawal of investment in equity accounted investments	--	7,500
Net cash generated from investing activities	477,499	180,268
FINANCING ACTIVITIES		
Dividends paid to non-controlling interest	(7,373)	(6,186)
Increase in non-controlling interests	8,321	8,093
Net proceeds of short term borrowings	868,800	549,800
Dividends paid	(398,888)	(303,925)
Net cash generated from financing activities	470,860	247,782
INCREASE IN CASH AND CASH EQUIVALENTS	1,191,918	810,349
Cash and cash equivalents at January 1	2,646,907	3,351,905
CASH AND CASH EQUIVALENTS AT JUNE 30	3,838,825	4,162,254

3

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

1. STATUS AND OPERATIONS

Qatar Insurance Company S.A.Q. (the “Parent Company”) is a public shareholding company incorporated in the State of Qatar in 1964 under Commercial Registration No. 20 and governed by the provisions of the Qatar Commercial Companies’ Law. The Parent Company and its subsidiaries (the “Group”) are engaged in business of insurance, re-insurance, real estate and financial advisory services.

The Group operates in the State of Qatar, United Arab Emirates, Sultanate of Oman, Kuwait, United Kingdom, Switzerland, Bermuda and Malta. The interim condensed consolidated financial information incorporates the financial information of the Parent Company and its subsidiaries all of which having December 31st as their financial year end. The details of subsidiaries are given below:

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
QIC International L.L.C. (“QICF”)	84.60%	State of Qatar	Primarily engaged in insurance and reinsurance. QICI manages the international operations of the Group and has 2 overseas branches in Dubai (United Arab Emirates), and Abu Dhabi (United Arab Emirates).
Oman Qatar Insurance Company (“OQIC”)	70% (owned through QICI)	Sultanate of Oman	Primarily engaged in insurance and reinsurance.
Kuwait Qatar Insurance Company (“KQIC”)	82.04% (owned through QICI)	State of Kuwait	Primarily engaged in insurance and reinsurance.
Qatar Reinsurance Company L.L.C.	55.38% directly and 40% owned through QICI	State of Qatar	Primarily engaged in reinsurance. Qatar-Re manages the reinsurance operations of the Group and has a branch office in Switzerland, Bermuda and a representative office in United Kingdom.
Q Life & Medical Insurance Co LLC	85 %	State of Qatar	Primarily engaged in life and medical insurance business.
Antares Holdings Limited (AHL)	100 %	Bermuda	Incorporated as an holding company for participation in Antares Syndicate 1274
Antares Reinsurance Limited (ARL)	100% (owned through AHL)	Bermuda	Incorporated as a Class 3 reinsurer for participation in Antares Syndicate 1274
Antares Underwriting Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Managing Agency Limited (AMAL)	100% (owned through ARL)	United Kingdom	Incorporated to act as a managing agent for Antares Syndicate 1274.
Antares Underwriting Services Limited	100% (owned through ARL)	United Kingdom	Incorporated as a services company to provide services to AMAL and Antares Syndicate 1274.

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

1. STATUS AND OPERATIONS (CONTINUED)

<u>Name of the subsidiary</u>	<u>Ownership</u>	<u>Country of incorporation</u>	<u>Principal activities</u>
Antares Capital I Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital III Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital IV Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
QIC Europe Limited	100%	Malta	Primarily engaged in insurance business
QANIT Ltd.	100% (owned through QICI)	UAE	Primarily engaged in Real Estate activities in the UAE.
Qatar Insurance Company Real Estate S.P.C.	100%	State of Qatar	Primarily engaged in Real Estate activities in the State of Qatar.
Qatar Economic Advisors S.P.C.	100%	State of Qatar	Primarily engaged in financial and other advisory services.
Qatar Insurance Group S.P.C	100%	State of Qatar	Primarily engaged in the management of QIC Group entities.
CATCo Investment Management Ltd.	100%	Bermuda	Primarily engaged in providing investment management services.
CATCo-Re Ltd.	100%	Bermuda	Primarily engaged in issuance of fully collateralized reinsurance contracts for CATCO Re Fund.
QIC Asset Management Ltd	100% owned through QEA.	Cayman Islands	Primarily engaged in financial and other advisory services
Education Company Ltd	100% owned through QEA.	Cayman Islands	Primarily engaged in financial and other advisory services
Lagoon Capital Partners Ltd	100% owned through LCP Holdings Ltd.	UAE	Primarily engaged in financial and other advisory services
Qatar Re Capital Ltd	100% owned through QIC Capital L.L.C.	United Kingdom	Primarily engaged in financial and other advisory services
Epicure Managers Qatar Ltd.	100%	BVI	Primarily engaged in providing investment management services
QIC International	84.6%	State of Qatar	The subsidiary is incorporated under the Ministry of Economy and Commerce regime and is inoperative at the moment.
QIC Capital L.L.C.	100%	State of Qatar	Incorporated as a holding company to hold equity interest in asset management initiatives of the Group.
LCP Holdings Ltd.	51% owned through QIC Capital L.L.C.	Cayman Islands	Primarily engaged in financial and other advisory services.
Taleem Advisory Ltd.	100% owned through Qatar Economic Advisors S.P.C.	Cayman Islands	Primarily engaged in financial and other advisory services.

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the six month period ended June 30, 2015 have been prepared in accordance with IAS 34- “Interim Financial Reporting”, under the historical cost convention except for certain financial instruments which are stated at fair value.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2014. In addition, results for the six month period ended June 30, 2015 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2015.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2014.

In the current financial year, the Group has adopted certain amendments and interpretations, which are mainly:

- Annual improvements to IFRSs 2010-2012 cycle Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements 2011-2013 Cycle Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13 and IAS 40.

The adoption of these revised standards and interpretations did not have any impact on the financial position or financial performance of the Group as of and for the period ended June 30, 2015.

The interim condensed consolidated financial statements are prepared in thousands of Qatari Riyal (QR).

QATAR INSURANCE COMPANY S.A.Q.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2015

3. CASH AND CASH EQUIVALENTS

	June 30, 2015	December 31, 2014
	QR ('000)	QR ('000)
	(Reviewed)	(Audited)
Cash and demand deposits	806,608	834,131
Time deposits maturing within 3 months	3,032,217	1,812,776
	<u>3,838,825</u>	<u>2,646,907</u>

4. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	June 30, 2015	December 31, 2014
	QR ('000)	QR ('000)
	(Reviewed)	(Audited)
Gross insurance contract liabilities		
Claims reported and unsettled	3,410,306	3,219,502
Claims incurred but not reported	1,992,850	1,467,199
Unearned premiums	4,891,325	3,644,313
	<u>10,294,481</u>	<u>8,331,014</u>
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	1,501,930	1,413,718
Claims incurred but not reported	608,388	415,797
Unearned premiums	1,722,851	1,421,942
	<u>3,833,169</u>	<u>3,251,457</u>
Net insurance contract liabilities		
Claims reported and unsettled	1,908,376	1,805,784
Claims incurred but not reported	1,384,462	1,051,402
Unearned premiums	3,168,474	2,222,371
	<u>6,461,312</u>	<u>5,079,557</u>

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

5. INVESTMENTS

	June 30, 2015	December 31, 2014
	QR ('000) (Reviewed)	QR ('000) (Audited)
Held for trading investments		
Managed Funds	<u>1,580,271</u>	<u>1,528,922</u>
Available-for-sale investments		
Qatari public shareholding Companies	1,950,837	1,898,111
Bonds	4,593,433	4,212,156
Less : Margin collaterals	<u>(2,890,883)</u>	<u>(2,247,536)</u>
International quoted shares	612,925	659,401
Unquoted shares and private equity investments	<u>484,713</u>	<u>421,053</u>
Total available for sale investments	<u>4,751,025</u>	<u>4,943,185</u>
Total investments	6,331,296	6,472,107
Less: Impairment loss recognised	<u>--</u>	<u>(4,025)</u>
Total investments	<u>6,331,296</u>	<u>6,468,082</u>

6. INVESTMENT PROPERTIES

	June 30, 2015	December 31, 2014
	QR ('000) (Reviewed)	QR ('000) (Audited)
Net book value at January 1	375,070	387,197
Additions	--	668
Depreciation	<u>(6,267)</u>	<u>(12,795)</u>
Net book value at June 30/December 31	<u>368,803</u>	<u>375,070</u>

The rental income arising during the period amounted to QR. 21,853 thousand (2014: QR 21,896 thousand) and direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period was QR 2,077 thousand (2014: QR 1,975 thousand).

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

7. PROPERTY AND EQUIPMENT

	June 30, 2015	December 31, 2014
	QR ('000) (Reviewed)	QR ('000) (Audited)
Net book value at January 1,	38,665	33,592
Additions	10,019	14,725
Acquisition through business combination	--	3,686
Effect of foreign currency exchange difference	40	(255)
Depreciation	(7,604)	(13,083)
Disposals/write off (net)	(438)	--
Net book value at June 30/ December 31	40,682	38,665

8. RELATED PARTY DISCLOSURES

(a) Transactions carried out with related parties

These represent transactions with related parties, i.e. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Group and companies of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Group's management and are negotiated under normal commercial terms.

	June 30, 2015	June 30, 2014
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Premium	16,484	20,821
Purchase of services	120	107
Claims	7,162	4,804
	June 30, 2015	Dec 31, 2014
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
(b) Due from related parties	31,214	4,312
(c) Due to related parties	29,204	1,943

	June 30, 2015	June 30, 2014
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
(d) Compensation of key management personnel		
Salaries and other short term benefits	25,105	18,614
End of service benefits	745	787
	25,850	19,401

Outstanding related party balances at the reporting date are unsecured and interest free and no impairment losses relating to these balances were recognised during the period (2014: Nil).

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

9. SEGMENT INFORMATION

a) Segment information

For management reporting purposes, the Group is organised into four business segments - Marine & Aviation, Fire & General, Health & Life, Real Estate and Investments. These segments are the basis on which the Group reports its operating segment information.

Segment income statement for the period ended June 30, 2015

	Marine & Aviation	Property & casualty	Health & life	Total Insurance	Real Estate	Investments	Advisory	Un-allocated (Expenses)/ Income	Total
	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)
Gross premiums	546,817	2,766,472	499,645	3,812,934	--	--	--	--	3,812,934
Premiums ceded to reinsurers	(121,016)	(533,271)	(8,416)	(662,703)	--	--	--	--	(662,703)
Net premiums	425,801	2,233,201	491,229	3,150,231	--	--	--	--	3,150,231
Change in unexpired risk reserve	(75,541)	(773,773)	(96,789)	(946,103)	--	--	--	--	(946,103)
Net earned premiums	350,260	1,459,428	394,440	2,204,128	--	--	--	--	2,204,128
Gross claims paid	(240,106)	(803,483)	(330,786)	(1,374,374)	--	--	--	--	(1,374,374)
Reinsurance recoveries	78,777	307,542	85,157	471,476	--	--	--	--	471,476
Movement in outstanding claims	(55,926)	(365,215)	(14,511)	(435,652)	--	--	--	--	(435,652)
Net commissions	(67,874)	(290,206)	(88,574)	(446,654)	--	--	--	--	(446,654)
Other insurance income (Unallocated)	--	--	--	5,712	--	--	--	--	5,712
Net underwriting results	65,131	308,066	45,726	424,636	--	--	--	--	424,636
Rental income	--	--	--	--	21,853	--	--	--	21,853
Advisory fees	--	--	--	--	--	--	58,483	--	58,483
Investment income and other income	--	--	--	--	--	407,651	--	--	407,651
Total income	--	--	--	424,636	21,853	407,651	58,483	--	912,623
Operating and administrative expenses	--	--	--	--	(3,489)	--	(36,216)	(274,307)	(314,012)
Depreciation	--	--	--	--	(6,416)	--	(82)	(8,096)	(14,594)
Profit before share of profit from equity accounted investments	--	--	--	424,636	11,948	407,651	22,185	(282,403)	584,017
Share of profit from equity accounted investments	--	--	--	--	--	--	--	9,760	9,760
Segment results	424,636	11,948	407,651	22,185	(272,643)	593,777			

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

9. SEGMENT INFORMATION (CONTINUED)

a) Segment information (continued)

Segment income statement for the period ended June 30, 2014

	Marine & Aviation	Property & casualty	Health and Life	Total Insurance	Real Estate	Investments	Advisory	Un-allocated (Expenses)/ Income	Total
	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)
Gross premiums	519,272	2,298,896	393,312	3,211,480	--	--	--	--	3,211,480
Premiums ceded to reinsurers	(167,811)	(593,333)	(14,154)	(775,298)	--	--	--	--	(775,298)
Net premiums	351,461	1,705,563	379,158	2,436,182	--	--	--	--	2,436,182
Change in unexpired risk reserve	(75,127)	(659,371)	(66,643)	(801,141)	--	--	--	--	(801,141)
Net earned premiums	276,334	1,046,192	312,515	1,635,041	--	--	--	--	1,635,041
Gross claims paid	(238,452)	(851,692)	(285,782)	(1,375,926)	--	--	--	--	(1,375,926)
Reinsurance recoveries	86,799	407,472	82,758	577,029	--	--	--	--	577,029
Movement in outstanding claims	6,600	(178,158)	(38,148)	(209,706)	--	--	--	--	(209,706)
Net commissions	(46,541)	(156,731)	(36,380)	(239,652)	--	--	--	--	(239,652)
Other insurance income (Unallocated)	--	--	--	5,998	--	--	--	--	5,998
Net underwriting result	84,740	267,083	34,963	392,784	--	--	--	--	392,784
Rental income	--	--	--	--	21,896	--	--	--	21,896
Advisory fees	--	--	--	--	--	--	50,720	--	50,720
Investment income and other income	--	--	--	--	--	512,895	--	--	512,895
Total income	392,784	267,083	34,963	392,784	21,896	512,895	50,720	--	978,295
Operating and administrative expenses	--	--	--	--	(2,319)	--	(30,861)	(283,705)	(316,885)
Depreciation	--	--	--	--	(6,358)	--	(27)	(7,143)	(13,528)
Profit before share of profit from equity accounted investments	392,784	267,083	34,963	392,784	13,219	512,895	19,832	(290,848)	647,882
Share of profit from equity accounted investments	--	--	--	--	--	--	--	8,547	8,547
Segment results	392,784	267,083	34,963	392,784	13,219	512,895	19,832	(282,301)	656,429

Segment assets and liabilities

Assets and liabilities of the Group are commonly used across the primary segments.

QATAR INSURANCE COMPANY S.A.Q

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2015

9. SEGMENT INFORMATION (CONTINUED)

b) Geographic information

The Group operates in two geographic markets; the domestic market in Qatar and the international markets.

10. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the period are the same as there are no dilutive effects on earnings.

	June 30, 2015	June 30, 2014
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Net profit attributable to owners of the parent company	<u>577,496</u>	<u>635,486</u>
Weighted average number of ordinary shares (2014: Restated)	<u>184,622</u>	<u>184,622</u>
Basic and diluted earnings per share (QR.) (2014: Restated)	<u>3.13</u>	<u>3.44</u>

The Group has restated the calculations of the comparative earnings per share as a result of the effect of bonus shares of 15% (i.e 3 for every 20 shares) issued during the period. The bonus issue was approved in the Annual General Meeting held on February 18, 2015.

11. DIVIDEND AND BONUS SHARES

A final cash dividend distribution of QR 2.50 per share (2014: Dividend of QR 2.50 per share) and bonus share of 15% (i.e. 3 shares for every 20 shares) was approved by the shareholders at the Annual General Meeting and issued by the Company during the six month period ended June 30, 2015.

12. SHARE CAPITAL

The authorized, issued and fully paid share capital as at June 30, 2015 consists of 184,621,437 equity shares of QR 10 each (December 31, 2014: 160,540,380 equity shares of QR. 10 each).

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six month period ended June 30, 2015

13. COMMITMENTS AND CONTINGENT LIABILITIES

	June 30, 2015	December 31, 2014
	QR ('000) (Reviewed)	QR ('000) (Audited)
Bank guarantees	1,039,447	940,746
Authorised future investment commitments	51,792	66,847
	<u>1,091,239</u>	<u>1,007,593</u>

Operating leases

Future minimum lease rentals payable under non-cancellable operating leases as at period/year end are as follows:

	June 30, 2015	December 31, 2014
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Within one year	6,758	6,619
After one year but not more than five years	27,033	26,477
More than five years	2,816	6,068
	<u>36,607</u>	<u>39,164</u>